

Interim Review of AMIR Field Office Accounting System
Final

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Abstract

The Achievement of Market-Friendly Initiatives and Results Program (AMIR II), launched in February 2002, builds on the impressive success of the original phase of the Access to Microfinance and Improved Implementation of Policy Reform (AMIR I) program, which from 1998 to 2002 promoted economic growth and prosperity in Jordan by developing a more favorable environment for business and investment. Through AMIR I, Chemonics has worked to boost the Jordanian economy by expanding the microfinance industry, reforming legal and regulatory policies, developing the IT sector, strengthening business associations, and developing strong capital markets. The current phase is broader in scope, engaging the government and the private sector to accelerate job creation, enhance government efficiency, and harness private sector initiative. In partnership with the people and government of Jordan, the AMIR Program is creating a globally recognized Jordanian economic success story through its work on 4 major initiatives.

The Enhanced Competitiveness Initiative (ECI) component aims to improve Jordan's national competitiveness by enhancing the ability to create robust, sustained economic growth, while improving the quality of life of its citizens through increased employment and incomes. The Financial Markets Development (FMD) component is working with Jordan's capital and financial markets institutions to broaden and deepen the financial markets by building a modern securities market that will attract domestic and foreign investment, focusing on the debt market as well as the equity market. The Information and Communications Technology Initiative (ICTI) is working to increase ICT access and connectivity for all Jordanians, using technology to improve and enhance government services, increasing business growth and industry employment, and upgrading the skills of people across the Kingdom so they can better use and develop new technologies. The Private Sector Policy Initiative (PSPI) component is working to develop and implement appropriate best practice solutions to improve the policy and institutional environment to foster greater private sector-led growth by emphasizing on trade-related reforms through two subcomponents: trade policy and market access, and customs reform.

Considering the field high volume and complexity of transactions, an internal review was necessary to evaluate the administrative and financial performance of the program. The review was performed by Ousmane N'Diaye, Senior Accounting Manager, during the period of January 5th – 19th, 2005. Ousmane was assisted by John Shin, an Associate for the AMIR PMU in the Chemonics HO. This was John's first visit to the AMIR's field office and he did a remarkable job reviewing the inventory and personnel files.

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FINDINGS AND RECOMMENDATIONS

Prior to starting the review process, I provided a one and half day training session to Mustafa Jallad, the chief accountant, and Mustafa Sha'aban, the staff accountant. Osama left the project in November 2004 and Jallad was immediately hired to replace him.

We covered the content of the Field Accounting Manual during the session. An emphasis was made on compliance issues and the use of the chart of accounts. We went through the list of the accounts and discussed how and when to use each account.

The following months were selected for review based on the volume of transactions and the JD amounts involved.

- March 2003
- August 2003
- June 2004
- November 2004

The following is a detailed description of the audit findings and recommendations that are necessary in order to streamline the AMIR 2b accounting system. Also attached is a table summarizing the recommendations (Attachment D). As you will note, the table includes a column designed to be populated by the Field Office once action has been taken to rectify streamline the process. This document will then be saved in the HO and FO files for future audits. I suggest that all the recommendations be implemented within 90 days. Please note, however, that the field office started implementing most of the recommendations before our departure from Amman.

1. Timesheets and payroll

We have found that as a general practice in the AMIR FO, the local staff salary is paid out without the approved timesheets including the actual hours worked for a specific period. Thus, employee hours used for processing the payroll is based on the employee's estimated hours worked. Timesheets are only collected after the payroll has been processed based on the employee fixed daily or monthly rates. Potential adjustments to payroll are later done after receiving the signed and approved timesheets.

Also, there is no consistency in filing payroll disbursement documents. For example, some disbursements have a copy of the timesheet attached and some don't.

Recommendation

Payroll disbursements should not be processed without complete, signed, and approved timesheets. In order to maintain the same pay period, the payroll cycle could be changed to, for example, from the 26th to the 25th of the following month.

All original timesheets should be kept together and filed by month. A copy should be attached to the disbursement documents.

2. Personnel files

A total of 35 files were reviewed and the summary of the findings are listed below. Please refer to attachment A for detailed findings.

- 2 of 35 have missing job descriptions
- 6 of 35 have missing resumes
- 5 of 35 have missing bio data sheets
- 2 of 35 have missing signatures on original contracts
- 12 of 35 have missing supervisor's signature and/or COP signature

Recommendation

The employee responsible for the Personnel files would need to go over the spreadsheet in attachment A, find or reissue all the missing documents, and file them into the appropriate personnel files.

3. Travel & related

Although travel requests are approved and tickets issued per the regulations, there are no documents that support the person indeed traveled.

For tax saving purpose, the field office is paying consultants' lodging costs directly to the hotel and recording the transaction to the inter-company account. By doing so, the home office field accounting retrieves the transaction and books it to the per diem line account. My concern is that the home office is generating the expenses without having proper supporting documents in the files. Also, after reviewing some of the transactions, I discovered that home office was not recording all of them as expenses. For example, on 6/14/04, the field office paid Eugene Callan's hotel bill for JD 3,546.40 (\$5,009.04). This transaction was recorded in QB, but still not in Solomon as an expense. As of today, about \$37K worth of per diem cost remain not billed to USAID (see attachment C).

Recommendation

Air travelers should be required to attach their boarding passes to their expense reports before submission to accounting. Lost boarding passes should be brought to the COP's attention who will be the only person to certify the loss.

On the consultant lodging issue, I recommend that the field office continues to make payments directly to the hotels and to record the transactions to the inter-company acct. BUT, the field office must send all the original hotel bills and the approved coding sheets to the HO, addressed to the Director, Maha O. Schroder. These documents should immediately be forwarded to the HO Middle East Field Accountant who will process them into Solomon by debiting the per diem expense acct and crediting the inter-company acct. The Field Accountant must obtain the HO PMU's approval before releasing the batch into Solomon. While reviewing the monthly draft invoice to USAID, the HO PMU should make sure that all the inter-company lodging expenses have been

included in the invoice. Finally, the original bills and the approved coding sheets, for all the hotel bills paid since the inception of the FO-hotel direct payment system established mid-2004, must be sent to the HO ASAP, addressed to the Director, Maha O. Schroder.

4. Banking

The field office has its bank account located at the Citibank which offers various services to its clients through the PayLink system. The PayLink system is a secured internet system that allows account holders to access their accts and generate transactions. The procedure is summarized as follows:

The FO accountant/bookkeeper logs into the system through internet and enter the names of beneficiaries and the amounts to be paid. The information is reviewed by the chief accountant and later released by the DCOP. Immediately after the release, the bank issues the checks, signs them, and calls the project accountant to come and pick them up. None of the checks are physically issued by the accounting department nor signed by the COP or DCOP.

Recommendation

Although the system is working fine and appears to be an absolute time saving tool for the accounting staff, the question is to evaluate the cost. The bank charges half JD per check and JD 100 per month for the software maintenance. At the same time, the bank takes the money out of the project account immediately after issuing checks in stead of waiting for the beneficiaries to present the checks. I believe that considering the volume of checks issued and the long time and excellent relationship with the bank, the field office should renegotiate the terms of the agreement and obtain a better deal.

5. General Administration

Personal telephone charges are billed to the contract and later reversed. The explanation provided by the accountant was that the phone company always issues the payment bill few days before the payment due date.

Project drivers use a log to record the movement of vehicles. Unfortunately, the logs are not signed by the user or the vehicle manager. Also, each driver receives a book of fuel coupons (about 400 liters) and there is no control system in place that verifies the fuel was effectively used.

Recommendation

Personal phone charges should not be booked to the contract especially when they are identifiable at the time of the recording. The phone system at the office is setup with PINs to record and sort personal outgoing long distance calls. The printout of the calls provided by the phone company should be used to book personal charges directly to the accts receivable-staff.

Drivers should ask vehicle users to sign off the log after each trip. Vehicle logs should be reviewed at least once a week by the office administrator or DCOP. A fuel control system should be put in place, for example, design a spreadsheet that will record the total mileage and fuel purchased and consumed by vehicle.

6. Inventory

The detail inventory report is included in attachment B. Eleven (11) items were originally selected from the tracker and tested, and the results were not encouraging. The test was expanded to nineteen (19) items and still the results were not satisfactory.

- 3 of 19 items are recorded in the tracker as lost. There are no explanation, no police report, no date indicating when the items were lost, etc.. For example, one of the items is an expensive office printer.
- 16 of 19 items had no location or the location was not updated when the item was moved.
- 6 of 19 items were missing USAID numbered stickers
- 3 of 19 items had missing or incorrect serial numbers.
- 1 of 19 items had incorrect purchase price.

A couple of days before the end of the assignment, we were told that the e-version of the inventory tracker provided to us and also used for the review was not, in reality the most updated one. The recent changes were made on a hard copy of the inventory tracker and were yet to be incorporated into the primary e-version of the inventory tracker. We left Amman without getting in hands this updated report. Therefore, please do not consider the above findings as final.

Recommendation

The inventory tracker should immediately be updated and a copy forwarded to home office. The next PMU member traveling to the field office should dedicate about 4 hours of his/her time to check physical items against the inventory tracker and report the findings to Field Accounting and the rest of the PMU. In the meantime, the person responsible for tracking the inventory items should write a memo/report and explain clearly the status of the items and any follow up plan.

7. Subcontracts

The local subcontractors submit monthly invoices without reporting the total amount spent to date or the remaining balance. Also, in some instances, labor costs are not supported by timesheets or any other payroll documents.

Recommendation

All local subcontractors should meet the contract requirements by submitting the front page invoice with the monthly expenditures report. This front page invoice will include at least four columns summarizing the budget, amount spent to-date, remainder, and current

month expenses per line item. A template could be developed and sent to each subcontractor for immediate use.

As a note, the AMIR accountant should always attach a copy of the signed task order agreement to the fixed-price subcontract invoice when processing the disbursement.

8. Grant

The grant component is composed of 4 types of grants:

- Mini grant, up to \$25,000 for a period of 90 days or less (reimbursable type)
- Small grant, up to \$100,000 for a period of 90 days or less (reimbursable type)
- Program Development Grant (PDG), up to \$250,000 for a period of 1 year or less (advance type). Advance must be liquidated within a period of 3 months
- Fixed Obligation Grant (FOG), up to \$250,000, upon deliverables

Grant numbers are assigned in such a way that they reflect the name of the component, the type of the grant, the initials of the grantee, and the grant reference. As of 12/31/04, 52 grants were issued to 30 grantees (10 are considered large grantees).

The grant transactions are recorded in a separate QB database. The chief accountant who maintains this database has also developed a macro Excel spreadsheet to facilitate the advance requests. As of 12/31/04, the QB and Excel spreadsheet balances reconcile. But, the Fund Accountability Statements are not consistent among grantees.

The following grants were reviewed and the results were satisfactory.

- BMI-MIN-JEA-002	JD 14,492.10
- BMI-MIN-JTB-006	15,023.90
- BMI-PDG-JIP-004	132,031.55
- BMI-PDG-JTB-005	30,268.00
- BMI-SMA-JHT-008	26,147.48
- BMI-SMA-WTC-001	12,241.00
- PSP-FOG-JCD-002	2,000.00

Recommendation

The AMIR's chief accountant should visit the grantees more often to verify their capacity to fulfill the agreement terms.

9. Accounting transactions and balances

As mentioned above, the following months were selected for review: March and August 2003, and June and November 2004. Transactions are entered on a timely manner into QB and reviewed by the chief accountant and DCOP particularly at the end of the month.

The trial balance had the following asset and liability account balances as of 11/20/04 (the Dec locals were still not closed on 1/3/05).

	Nov 20, 04	
	Debit	Credit
10100 - Petty Cash	500.00	
10320 - Bank - Local Currency	19,601.31	
11610 - Accts Receivable - Staff (PIN)	218.23	
11620 - Accts Receivable - Other (PIN)	11,469.99	
21310 - Payable - Commercial Vendors		4,697.24
21320 - Payable - Subcontractors		175.60
20400 - Intercompany (HO/Field)		6,995,912.43
23130 - Local Income Tax Withheld		10,021.33
24120 - Social/Pension Withheld (PIN)		3,314.18

The above balances are reasonable but need some PIN adjustments. The field office accounting staff is currently working on the adjustments to reflect the correct PIN balances. The JD 11,469.99 under accts receivable-other is current and should be cleared before closing the January locals.

Compared to the home office balances, the above balances are totally different. In other words, the field and home office net balances don't reconcile as of 11/30/04 (see below).

Project ID	Project/Office Name	NET ASSET BALANCES			Wires in transit	Diff. as of 11/30/2004
		Per HO	Per FO	Diff.		
321??	Jordan AMIR 2b	\$263,456.33	\$19,182.46	\$244,273.87	\$300,000.00	(\$55,726.13)
	TOTAL	\$263,456.33	\$19,182.46	\$244,273.87	\$300,000.00	(\$55,726.13)

Part of this difference may have been caused by the lodging costs reported by the field office and not recorded as expenses by home office. The total amount is estimated to \$37K (see attachment C).

Recommendation

Home office Field Accounting should review all the inter-company transactions from the beginning of the project to now and reconcile the balances. Outstanding lodging charges should immediately be billed to the contract.

The field office also should review each account receivable and payable balance to make sure that the balance per PIN reflects the reality.

Attachment A

Personnel

Attachment B

Inventory

Attachment C

Intercompany Lodging

Attachment D

Summary

JORDAN AMIR II Local LT Personnel Files Review - January 2005 All Current LT Professional & Support Staff											
#	NAME	POSITION	CONTRACT	BIODATA	TIMESHEETS	LEAVE FORM	CV	INSURANCE DOCS	EVALUATION	COMMENTS	
1	Abedrabbo, George	Internal Auditor (now special project Coordinator)	x	x	x	x	x	x	x	a) no job description attached to contract, b) timesheets for Sep 04 - Nov 04 are not in the folder, c) majority of leave forms have all 3 signatures but some are missing 1 or even 2 at times, d) need CV	Completed
2	Abu Nufal, Faraj	Driver	x	x	x	x	x	x	x	a) job description not attached to contract	Completed
3	Abu Sharar, Rania	Public Relations Specialist (now Comm Spec)	x	x	x	x	x	x	x	a) no supervisory signatures in July 02 and Aug 04 timesheets, b) no supervisor/approver signature on 3/16/03	Completed
4	Abu Taleb, Asma	Consultant & Trainer (FMD)	x	x	x	x	x	x	x	a) no COP signature in Jul 04 and Dec 02 timesheets, b) no supervisor signature in Aug 03, c) No COP and supervisor signature on Dec 02	Completed
5	Al Fayoumi, Eman (Al Jidara)	IT Admin Assistant	x	x	x	x	x	AJ	x	a) no supervisor/approver signature for 1/5/03	Completed
6	Al Issis, Mohammad	IVP Manager	x	x	x	x	x	x	NEW		
7	Aloul, Ala'a	Expediter - Driver (now Property Manager)	x	x	x	x	x	x	x	a) no supervisor/approver signature for 12/18/03	Completed
8	Bakir, Tulin (Al Jidara)	Training & Events Coordinator	x	x	x	x	x	AJ	x		
9	Balkar, Shereen	ECI Public Relations Specialist (now Comm Specialist)	x	x	x	N/A	x	x	NEW		
10	Bashiti, Nahla (Al Jidara)	Receptionist (now Receptionist and Admin Assistant)	x	x	x	x	x	AJ	x	a) no supervisory signature for Oct 03, Aug 03, and Oct 02 timesheets, b) no employee and supervisor signature for Nov 02 timesheet	Completed
11	Dahdaleh, Muna (Al Jidara)	AA - PSPI	x	x	x	x	x	AJ	x	a) employee signature missing in contract for the period covering 2/1/02 - 7/31/02	Completed
12	Habis, Amal (Al Jidara)	AA - PSPI	x	x	x	x	x	AJ	x		
13	Hattar, Ruba	APA	x	x	x	x	x	x	x	a) need original of Amendment No. one, 2) no supervisory signature on May 03 and Jul 02 timesheet, 3) No COP signature on May 02 timesheet, 4) no supervisor/approver signature in 12/9/03, 5/5/03, 4/8/03, 4/16/03, 4/17/03, 4/24/03, and 3/25/04 leave forms	There was no contract ammendment, other issues been completed
14	Jallad, Mustafa	Chief Accountant	x	x	x	x	x		NEW	a) need CV	Insurance form was sent to HO on 3 March 05. Other issue completed
15	Jwenat, Zuhair	Driver	x	x	x	x	x	x	x		
16	Khatib, Suhair	Deputy Component Leader - MEI (now BDS SubComponent Manager)	x	x	x	x	x	x	x	2) no supervisory signature on Aug 04 timesheet, b) no supervisor/approver signature on 5/15/03, 5/11/03, 4/9/03, 4/3/03, 3/9/03 leave forms	Completed
17	Khyami, Rami (Al Jidara)	Training & Events Coordinator	x	x	x	x	x	AJ	x		
18	Mansour, Dima (Al Jidara)	Training Administrative Assistant	x	x	x	x	x	AJ	x		
19	Mubaideen, Sulaf	PR Specialist (now Communications Specialist)	x	x	x	x	x	x	x		
20	Muasher, Randa	Business Management Specialist	x	x	x	x	x	x	x	a) biodata and CV not in file	Completed
21	Musa, Elham (Al Jidara)	Program Assistant - FMD	x	x	x	x	x	AJ	x		
22	Nijem, Mohammad	National Linkage Program Executive - MEI (now ECI)	x	x	x	x	x	x	NEW		
23	Nimer, Ayman	Network Administrator (now IT Manager)	x	x	x	x	x		x	a) missing supervisor signature on Dec 02 and Jul 03 timesheets, b) insurance documents not in folder	Insurance form was sent to HO on 3 March 05. Other issues, completed
24	Omar, Lina	Business Management Specialist	x	x	x	x	x	x	x		
25	Olaimat, Jamal	Customs Specialist	x	x	x	x	x	x	x	a) need original of contract Amendment No. one, b) no supervisory signature on Aug 02 timesheet	There was no contract ammendment, other issues been completed
26	Qadoura, Sameera (Al Jidara)	IET Manager	x	x	x	x	x	AJ	x	a) no signature on original contract, b) when COP designee (sometimes the supervisor) signs the timesheets on behalf of COP, he/she must sign both the "supervisor" and the "COP" slots (if it is the same person). See comparison from Apr 04 and Mar 04 timesheets, c) no COP signature on May 02 timesheet, d) no supervisor/approver signatures on 7 leave forms from 4/10/03 - 5/8/03	Contract not been signed as there is a pending issue between Sameera and Al Jidara, other issued been completed
27	Qassis, Wafa (Al Jidara)	Program Assistant	x	x	x	x	x	AJ	x		
28	Sawalha, Amjad (Al Jidara)	Training & Events Coordinator	x	x	x	x	x	AJ	x	a) no biodata or CV in file	Completed

Local LT Personnel Files Review - January 2005
All Current LT Professional & Support Staff

NOTES	
-the files for all local LT professional and support staff are in one location	
-the LT local staff files are divided into 2 main sections: a) general employment items b) timesheets and leave forms	
-for Al Jidara employees (12 total): a) all timesheets included in the files will be copies b) insurance paperwork will not be included b/c it is under AJ	
-does the AMIR office have a place where pictures of the employees are kept?	
-2 of the 35 contracts are not originals (#13 and #25) but are copies instead	(5.7%)
-2 of the 35 contracts are missing signatures in original contract (items #11 and #26)	(5.7%)
-2 of the 35 personnel folders are missing job descriptions (items #1 and #2)	(5.7%)
-5 of the 35 personnel folders are missing biodatas	(14.3%)
-12 of the 35 files include timesheets missing supervisor and/or COP signature	(34.3%)
-10 of the 35 files include leave forms without both supervisor and COP signatures	(28.6%)
-6 of the 35 files are missing CVs	(17.1%)
-2 of the 35 files missing insurance documents	(5.7%)

Inventory Review - January 2005										
#	DESCRIPTION	TYPE	STICKER #	SERIAL NUMBER	LOCATION	AMOUNT (JD)	AMOUNT (USD)	DATE PURCHASED	STATUS/COMMENTS	FO Comments
1	Electric Devices - Camera Sony 8mm Digital Camera VID 10 with Bag	OF&E	10038	S/N: 1012516	Room 232 (now in room 235)	JOD 1,132.09	\$1,599.00	June 1998	FOUND. a) now in room 235 but invoice this move not reflected in invoice tracker	
2	Electric Devices - VCR Samsung STR 960 time lapse	OF&E	12368	S/N: L013V0558	Room 103	JOD 600.00	\$847.46	May 1998	FOUND	
3	Misc - Typewriter Brother EM 750 FX S/N: G21220823	OF&E	14182	G21220823	Room 231	JOD 450.00	\$635.59	May 1998	FOUND	
4	Telephones - Cell Phone Nokia # 647441 (model #6110)	OF&E	added	added	Steve Wade	JOD 388.00	\$548.02	June 2001	LOST. It was originally issued to Steve Wade: a) the serial number for the cell phone is not recorded in tracker, b) the location was not specified, c) an explanation of how phone was lost not recorded, d) no date indicated when phone was lost e) no police report filed e) the model number is missing from tracker but the phone number was recorded instead. f) the sticker number and the serial number is not found in the inventory tracker	About Steve's cell phone, Alaa Aloul found it in a cabinet in Fred's old office. He has added it to the inventory list.
5	Telephones - Cell Phone Nokia 6210	OF&E	lost (file documented)	lost (file documented)	Fred Nustas	JOD 168.00	\$237.29	May 2001	LOST. It was originally issued to Fred Nustas: a) the serial number for the cell phone is not recorded in tracker, b) the location was not specified, c) an explanation of how phone was lost not recorded, d) no date indicated when phone was lost e) no police report filed f) the sticker number and the serial number is not found in the inventory tracker	Regarding Fred's cell phone it was lost and never reported to the police. Alaa has written a justification letter for the file.
6	Telephones - Cell Phone Philips	OF&E	11097	uy559703q05562	Room 103	JOD 115.00	\$162.43	May 2001	FOUND. Phone is not in use and is in a box temporarily sitting in Ala'a's office. a) there should be a serial number for the cell phones. None found in tracker, b) the sticker number and the serial number is not found in the inventory tracker	
7	Asst. Manger Desk, 140x70cm with Glass	OF&E	12085	N/A	Room 109	JOD 90.00	\$127.12	February 2002	FOUND. However, the invoice tracker is not updated because it states that it is "not found." Also, there was no room number indicated in the tracker.	
8	Asst. Manger Desk, 140x70cm with Glass	OF&E	12086	N/A	Room 109	JOD 90.00	\$127.12	February 2002	FOUND. a) invoice tracker is not updated because it states that it is "not found," b) there is no room number indicated in the inventory tracker.	
9	Halagin Stand	OF&E	12317	N/A	Room 233	JOD 47.00	\$66.38	August 2001	FOUND. a) invoice tracker is not updated because it states that it is "not found," b) there is no room number indicated in the inventory tracker.	
10	HP 6P Printer	CE	10048	USCB026845	Room 106	JOD 1,518.40	\$2,144.60	April 1998	FOUND. Currently not in use: a) no room number indicated in the inventory tracker.	
11	Gateway Solo 3150 Notebook	CE	10012	BCC99200474	Room 234	JOD 3,075.00	\$4,343.20	March 1999	FOUND. a) no room number indicated in the inventory tracker.	
12	HP 2100 TN Printer	CE	10103	NLBB012611	Room 109	JOD 1,422.00	\$2,008.50	October 1999	FOUND. a) no room number indicated in the inventory tracker.	
13	US Robotics 56K Modem	CE	10106	UFN637K9EH2A (238NB38ADDGG)	Room 106	JOD 180.00	\$254.20	October 1999	FOUND a) serial number incorrect b) no room number indicated in tracker c)	
14	4 Port - Hub 10/100 Switch	CE	12763	G300/7PJF020627	Room 231	N/A	N/A	1999	FOUND. a) Location not entered in inventory tracker.	
15	Dell Latitude C840 , P4 1.0 Ghz Processor with 256 cache memory, 256 RAM, 15" LCD monitor, 20 GB HD	CE	13953	C6G5121	Room 232	JOD 1,826.60	\$2,580.00	December 2002	FOUND. a) Location not entered in inventory tracker.	
16	Acer 15'Inch Monitor	CE	13912	917160200303900990Q 5V414	Room 235	JOD 151.10	\$213.50	April 2001	FOUND. a) Location not entered in inventory tracker, b) sticker number not in tracker	

Inventory Review - January 2005

[illegible]

JORDAN AMIR 2b
INTERCOMPANY CHARGES NOT FULLY BOOKED BY FIELD ACCOUNTING

Per Post	Jrnl Type	Account	Subacct	Type	Batch Number	Per Entr	Reference Number	Tran Date	Transaction Description	Debit Amount	Credit Amount	Billable to Per Diem	Traveler Name	PIN
08-02	GJ	11600	360-32101	GL	008913	08-02	LE JUL 02	8/25/2002	Haider/2B exp paid fr AMIR2A-L	244.82	0.00	This is not lodging this is 42400Travel, Reg'l & In-Ctry (PIN) Haider is a driver and he used his car to take some employess to BPW Aqaba Strategic Planning Session WP#232.2 BMI		L0004
09-02	GJ	11600	360-32102	GL	009183	09-02	LE SEP 02	9/4/2002	J.Bowman/25% treatment-L	215.55	0.00	This is MEDEX for JB we have paid it from FO and HO (mike thayer email from 9/1/02 said that they will book it on his V card as an "AD"	John Bowman	08137
11-02	GJ	11600	360-32101	GL	009630	11-02	LE NOV 02	11/25/2002	SPW/AMIR1 exp.paid fr.2B-L	4,060.73	0.00	This is house lease for Steve wade, which mean it is not Lodging it is LQA	Steve Wade	05444
09-03	GJ	11600	360-32101	GL	012745	09-03		9/30/2003	SW/AMIR1 exp.paid fr.2B-LE	0.00	983.40	This is house lease for Steve wade, which mean it is not Lodging it is LQA	Steve Wade	05444
09-03	GJ	11600	360-32101	GL	012745	09-03		9/30/2003	SW/AMIR1 exp.paid fr.2B-LE	0.00	1,652.12	This is house lease for Steve wade, which mean it is not Lodging it is LQA	Steve Wade	05444
09-03	GJ	11600	360-32101	GL	012745	09-03		9/30/2003	SW/AMIR1 exp.paid fr.2B-LE	0.00	1,298.09	This is house lease for Steve wade, which mean it is not Lodging it is LQA	Steve Wade	05444
03-04	GJ	11600	360-32104	GL	015029	03-04	LE MAR 04	3/25/2004	NVZ/Personal phone bill/Dec0-L	167.53	0.00	Personal Phone, we have paid his House phone bill after he left AMIR the land lord said that there is an outstanding phone bill,we have paid it and book it to intercompmany under his PIN so you will book it on his V card	Nicolas Van Zadelhoff(NVZ)	07070
03-04	GJ	11600	360-32101	GL	015029	03-04	LE MAR 04	3/25/2004	EC/Hotel Accommodation-L	288.98	0.00		288.98 Eugene Callan	07997
04-04	GJ	11600	360-32112	GL	015393	04-04	LE APR 04	4/25/2004	WP#262.1/Sheraton/DH/Accom.-L	770.62	0.00		770.62 Donald Hawkins	08865
04-04	GJ	11600	360-32112	GL	015393	04-04	LE APR 04	4/25/2004	WP#262.1/Sheraton/MM/Accom.-L	481.64	0.00		481.64 Matta McNulty	08016
06-04	GJ	11600	360-32101	GL	015986	06-04	LE JUN 04	6/20/2004	DH/Accommodation-L	605.93	0.00		605.93 Donald Hawkins	08865
06-04	GJ	11600	360-32101	GL	015986	06-04	LE JUN 04	6/20/2004	EC/Hotel Accommodation-L	5,009.04	0.00		5,009.04 Eugene Callan	07997
06-04	GJ	11600	360-32101	GL	015986	06-04	LE JUN 04	6/20/2004	Sheraton/EH/Accomm.-L	1,059.60	0.00		1,059.60 Eamon Henry	08968
06-04	GJ	11600	360-32101	GL	015986	06-04	LE JUN 04	6/20/2004	GW/Marriott/Accommodation-L	481.64	0.00		481.64 Geraldine Walsh	00761
07-04	GJ	11600	360-32101	GL	016350	07-04	LE JUL 04	7/20/2004	Marriott/BB/Accomm.-L	1,155.93	0.00		1,155.93 Brenda Bowman	08994
07-04	GJ	11600	360-32101	GL	016350	07-04	LE JUL 04	7/20/2004	Hyatt/MR/Accommo.-L	963.28	0.00		963.28 Mike Ryan	09004
07-04	GJ	11600	360-32101	GL	016350	07-04	LE JUL 04	7/20/2004	Sheraton/MM/Accom.-L	770.62	0.00		770.62 Matta McNulty	08016
07-04	GJ	11600	360-32101	GL	016350	07-04	LE JUL 04	7/20/2004	Seasons/JJD/Accommodation-L	1,312.85	0.00		1,312.85 John Downes	08990
08-04	GJ	11600	360-32101	GL	016705	08-04	LE AUG 04	8/20/2004	EC/Hotel Accommodation-L	3,949.44	0.00		3,949.44 Eugene Callan	07997
08-04	GJ	11600	360-32101	GL	016705	08-04	LE AUG 04	8/20/2004	JG/Hotel Accommodation-L	1,637.57	0.00		1,637.57 Jeff Gondor	08688
10-04	GJ	11600	360-32144	GL	017369	10-04	LE OCT 04	10/20/2004	Sheraton/SS/Accommodation-L	385.31	0.00		385.31 Stephen Strauss	08464
10-04	GJ	11600	360-32112	GL	017369	10-04	LE OCT 04	10/20/2004	Sheraton/MM/Accommodation-L	1,155.93	0.00		1,155.93 Matta McNulty	08016
10-04	GJ	11600	360-32112	GL	017369	10-04	LE OCT 04	10/20/2004	Seasons/JD/Accommodation-L	1,197.81	0.00		1,197.81 John Downes	08990
10-04	GJ	11600	360-32100	GL	017341	10-04	LE OCT 04	10/26/2004	Transfer fr. AMIR2A Account-L	5,072.12	0.00	AMIR 2A left over was transferred to AMIR 2 B		
10-04	GJ	11600	360-32100	GL	017341	10-04	LE OCT 04	10/26/2004	vendors l.tax withholdings-L	0.00	3,779.34	Once AMIR 2A was closed, l.tax balance was carried over to AMIR 2B		
11-04	GJ	11600	360-32144	GL	017805	11-04	LE NOV 04	11/20/2004	Marriott/MS/Accommodation-L	1,252.26	0.00		1,252.26 Michael Salik	08606

JORDAN AMIR 2b
INTERCOMPANY CHARGES NOT FULLY BOOKED BY FIELD ACCOUNTING

Per Post	Jrnl Type	Account	Subacct	Type	Batch Number	Per Entr	Reference Number	Tran Date	Transaction Description	Debit Amount	Credit Amount	Billable to Per Diem	Traveler Name	PIN
11-04	GJ	11600	360-32144	GL	017805	11-04	LE NOV 04	11/20/2004	Marriott/EC/Accommodation-L	2,311.86	0.00	2,311.86	Eugene Callan	07997
11-04	GJ	11600	360-32111	GL	017805	11-04	LE NOV 04	11/20/2004	SC/Accommodation-L	770.62	0.00	770.62	Stephanie Charitonenko	06766
12-04	GJ	11600	360-32144	GL	018062	12-04	LE DEC 04	12/31/2004	Marriott/TM/Accommodation-L	481.64	0.00	481.64	Thomas Murphy	00706
12-04	GJ	11600	360-32144	GL	018062	12-04	LE DEC 04	12/31/2004	Marriott/JD/Accommodation-L	577.97	0.00	577.97	James Dry	08468
12-04	GJ	11600	360-32144	GL	018062	12-04	LE DEC 04	12/31/2004	Marriott/JD/Accommodation-L	770.62	0.00	770.62	James Dry	08468
12-04	GJ	11600	360-32144	GL	018062	12-04	LE DEC 04	12/31/2004	Intercon/SS/Accommodation-L	302.97	0.00	302.97	Stephen Strauss	08464
12-04	GJ	11600	360-32113	GL	018062	12-04	LE DEC 04	12/31/2004	Seasons/ACF/Accommodation-L	1,197.81	0.00	1,197.81	Andrea Farnon	09249
12-04	GJ	11600	360-32113	GL	018062	12-04	LE DEC 04	12/31/2004	Seasons/TLT/Accommodation-L	1,597.09	0.00	1,597.09	Terrie Lynn Thompson	09232
12-04	GJ	11600	360-32113	GL	018062	12-04	LE DEC 04	12/31/2004	Seasons/RAH/Accommodation-L	1,796.72	0.00	1,796.72	Rana Absi-Halabi	09224
12-04	GJ	11600	360-32112	GL	018062	12-04	LE DEC 04	12/31/2004	Hyatt/LM/Accommodation-L	223.73	0.00	223.73	Larry Milner	08243
12-04	GJ	11600	360-32112	GL	018062	12-04	LE DEC 04	12/31/2004	Sheraton/MM/Accom.-L	385.31	0.00	385.31	Matta McNulty	08016
12-04	GJ	11600	360-32112	GL	018062	12-04	LE DEC 04	12/31/2004	Sheraton/DL/Accom.-L	385.31	0.00	385.31	Deirdre Lennon	09079
12-04	GJ	11600	360-32112	GL	018062	12-04	LE DEC 04	12/31/2004	Sheraton/FM/Accom.-L	385.31	0.00	385.31	Frank Magee	09097
12-04	GJ	11600	360-32112	GL	018062	12-04	LE DEC 04	12/31/2004	Sheraton/MM/Accom.-L	1,637.57	0.00	1,637.57	Matta McNulty	08016
12-04	GJ	11600	360-32111	GL	018062	12-04	LE DEC 04	12/31/2004	Intercon/DL/Accom.-L	807.91	0.00	807.91	David Lovegrove	00494
12-04	GJ	11600	360-32104	GL	018062	12-04	LE DEC 04	12/31/2004	NR/25%Accommodation-L	174.68	0.00	174.68	Nebojsa Radic	09223
12-04	GJ	11600	360-32104	GL	018062	12-04	LE DEC 04	12/31/2004	Marriott/MS/25%Accommodation-L	192.66	0.00	192.66	Maha Schroder	06142
12-04	GJ	11600	360-32103	GL	018062	12-04	LE DEC 04	12/31/2004	Marriott/MS/25%Accommodation-L	192.66	0.00	192.66	Maha Schroder	06142
12-04	GJ	11600	360-32103	GL	018062	12-04	LE DEC 04	12/31/2004	NR/25%Accommodation-L	174.68	0.00	174.68	Nebojsa Radic	09223
12-04	GJ	11600	360-32102	GL	018062	12-04	LE DEC 04	12/31/2004	NR/25%Accommodation-L	174.69	0.00	174.69	Nebojsa Radic	09223
12-04	GJ	11600	360-32102	GL	018062	12-04	LE DEC 04	12/31/2004	Marriott/MS/25%Accommodation-L	192.66	0.00	192.66	Maha Schroder	06142
12-04	GJ	11600	360-32101	GL	018062	12-04	LE DEC 04	12/31/2004	Marriott/MS/25%Accommodation-L	192.66	0.00	192.66	Maha Schroder	06142
12-04	GJ	11600	360-32101	GL	018062	12-04	LE DEC 04	12/31/2004	NR/25%Accommodation-L	174.69	0.00	174.69	Nebojsa Radic	09223
												37,580.27		

AMIR 2.0 Accounting Audit Recommendations

Findings	HO Recommendations	FO Action Taken	Date
I. Timesheets and Payroll Issues			
A. As a general practice in the AMIR FO, the local staff salary is paid out without the approved timesheets including the actual hours worked for a specific period. Thus, employee hours used for processing the payroll is based on the employee's estimated hours worked. Timesheets are only collected after the payroll has been processed based on the employee fixed daily or monthly rates. Potential adjustments to payroll are later done after receiving the signed and approved timesheets.	1) Payroll disbursements should not be processed without complete, signed, and approved timesheets. 2) In order to maintain the same pay period, the payroll cycle could be changed to the 26th to the 25th of the following month.	(M. Jallad) re 1) We have already started to cut salaries checks upon the receipt of a fully signed & approved time sheet. re 2) Since we are not allowed to advance employees, then we can't change the date, because if we do so, first salary check upon policy change will make payment short by 2.9 working days, in which will be compensated in last pay check. MS NOTE: THE HO IS FINE WITH THIS AS LONG AS THE TIME SHEETS ARE COMPLETE, SIGNED AND APPROVED BEFORE THE DISBURSEMENTS ARE MADE.	
B. There is no consistency in filing payroll disbursement documents. For example, some disbursements have a copy of the timesheet attached and some do not	1) Keep all original timesheets together and file them by month for easy retrieval. 2) A copy of the timesheet will need to be attached to the disbursement documents.	(MJ) We have solved this problem going forward & are currently compiling all timesheets in order to attach them to previous salaries pay checks	
II. Personnel Files: LT professional and support			
A. All of the LT local professional and support employee files (35 total) were reviewed. 1) 2 of 35 files have missing job descriptions, 2) 6 of 35 files have missing resumes, 3) 5 of 35 files have missing biodata sheets, 4) 2 of 35 files contain original contracts with missing signatures, 5) 12 of 35 files include timesheets missing supervisor's signature and/or COP signature, 6) 10 of the 35 files include leave forms without both supervisor and COP signatures, 7) 2 of the 35 files missing insurance documents	1) The employee responsible for the Personnel files will need to go over the spreadsheet in attachment A, find or reissue all the missing documents, and file them into the appropriate personnel files. 2) All 3 designated signature locations for every timesheet and leave form (employee, supervisor, and COP) must be signed.	WAFS QASSIS (Program Assistant) has reviewed and repaired all the personnel files. She will maintain all leave forms and timesheets in the future to make sure that all signatures are complete within each pay period. See attached tracker entitled "LT Personnel".	
III. Travel & Related			
A. Although travel requests are approved and tickets issued per the regulations, there are no supporting documentation proving that the consultant indeed traveled	1) Air travelers will be required to attach their boarding passes to their expense reports before submission to accounting. The consultant/employee traveling will need to be reminded of this requirement. 2) In case of a lost boarding pass, notify the COP because the COP is the only person able to certify the loss	(M. Jallad) We started implementing the procedure the moment Ousmane draw our attention to boarding pass issue. MS NOTE: PLEASE CLARIFY THE PROCESS, I.E. WILL THE FIELD OFFICE SEND THE DOCUMENTS IN BATCHES? OR WILL YOU SEND ALL THE DOCUMENTS ONCE COMPLETED BY APRIL 5, 2005? As we were guided, for every new expense, all original hotel invoices will be sent to home office by pouch. For the old hotel invoices, we will send them by pouch by the end of April, 05.	
B. For tax saving purpose, the field office is paying consultants' lodging costs directly to the hotel and recording the transaction to the inter-company account. By doing so, the home office field accounting retrieves the transaction and books it to the per diem line account. My concern is that the home office is generating the expenses without having proper supporting documents in the files. Also, after reviewing some of the transactions, I discovered that home office was not recording all of them as expenses.	1) the FO will continue to make payments directly to hotels and records the transactions to the inter-company account. 2) The FO must send all the original hotel bills and the approved coding sheets to the HO, addressed to the director, Maha Schroder. 3) These documents should immediately be forwarded to the HO Middle East Field Accountant who will process them into Solomon by debiting the per diem expense acct and crediting the inter-company acct. 4) Finally, the original bills and the approved coding sheets, for all the hotel bills paid since the inception of the FO-hotel direct payment system established mid-2004, must be sent to the HO ASAP, addressed to the Director, Maha O. Schroder.	M. Jallad has asked M. Shaaban to go through all hotel invoices & send the original to HO. This should be completed by end of April 05. As we were guided, for every new expense, all original hotel invoices will be sent to home office by pouch. For the old hotel invoices, we will send them by pouch by the end of April, 05.	
IV. Banking			
A. Although the check issuance system is working fine the fees paid to the project must be evaluated. The bank charges half JD per check and JD 100 per month for the software maintenance. At the same time, the bank takes the money out of the project account immediately after issuing checks in stead of waiting for the beneficiaries to present the checks.	1) The COP/DCOP will need to renegotiate the terms of the agreement to lower maintenance charges on checks. 2) The chief accountant will need to ask the bank to wait on withdrawing funds from the project account until the beneficiaries present their checks.	Re 1) a meeting has been set up with CitiBank between the COP and DCOP. we'll keep you posted. Re 2), this is not possible, since all banks working in Jordan are working according to Central Bank Guidance. This process of clearing checks is required by the CBJ to be held in a separate bank A/c since they are guaranteed by Citi Bank first & Central bank in second place. MS COMMENT: IS IT POSSIBLE TO ASK THE BANK SEND US A LETTER DETAILING THIS POLICY? We will request that the bank to send us letter to specify regs in regarding to certified checks treatment, along with bank charges on such type of checks. We will also try to negotiate the charges.	

AMIR 2.0 Accounting Audit Recommendations

Findings	HO Recommendations	FO Action Taken	Date
V. General Administration			
<p>A. Personal telephone charges are billed to the contract and later reversed. The explanation provided by the accountant was that the phone company always issues the payment bill few days before the payment due date. It is noted that the phone company provides a breakdown every month. Also, the phone system at the office is setup with PINs to record and sort personal outgoing long distance calls.</p> <p>B. Project drivers use a log to record the movement of vehicles. Unfortunately, the logs are not signed by the user or the vehicle manager. Also, each driver receives a book of fuel coupons (about 400 liters) and there is no control system in place that verifies the fuel was effectively used.</p>	<p>1) The printout of the calls provided by the phone company should be used to book personal charges directly to the accts receivable-staff. 2) Since the FO phone system is set up with PINs to differentiate personal from business calls, this system should be used in conjunction with the list provided by the phone company.</p> <p>1) Drivers will need to start asking vehicle users to sign off the log after each trip. 2) Vehicle logs should be reviewed at least once a week by the office administrator or DCOP. 3) A fuel control system will need to be put in place. For example, design a spreadsheet that will record the total mileage and fuel purchased and consumed by vehicle.</p>	<p>(M. Jallad) In Feb, we have already started recording private telephone calls directly to staff A/Rs.</p> <p>re 1) Alaa Aloul (Property Manager) initiated a new policy on Wednesday, February 16, 2005 whereby drivers must have a passenger from each trip sick a vehicle log. As you can imagine, this was initially met with some discomfort as the drivers thought their professionalism was being questioned. Re 2) Beginning Thursday, Feb 23, Mrs. Ruba Hattar (Project Administrator) will review and initial each log on a weekly basis. Re 3) Ruba will also keep fuel coupons. As drivers need coupons, she will provide them with two each time. Alaa has also created a new column to write the mileage every time they fill the car. He will maintain the log.</p>	
VI. Inventory			
<p>A. The detail inventory report is included in attachment B. Eleven (11) items were originally selected from the tracker and tested, and the results were not encouraging. The test was expanded to nineteen items and still the results were not satisfactory. 1) 3 of 19 items are recorded in the tracker as lost. There were no explanation, no police reports, no date indicating when the items were lost, etc.. For example, one of the items is an expensive office printer, 2) 16 of 19 items had no location or the location was not updated when the item was moved, 3) 6 of 19 items were missing USAID numbered stickers, 4) 3 of 19 items had missing or incorrect serial numbers, 5) 1 of 19 items had incorrect purchase price.</p>	<p>1) Integrate the current work-in-progress hard copy of the inventory with the electronic version ASAP. 2) Identify all problem areas pointed out in the tracker and the person responsible for tracking the inventory will need to write a memo/report explaining clearly how the recommendations will be implemented. 3) Once the inventory is updated, and if the findings confirm lost inventory, the AMIR Director in the HO, along with the AMIR Deputy Program Director will contractually report to USAID any loss of equipment. 4) The inventory list must also be sent to the HO PMU once the e-tracker has been completed. 5) The next PMU member traveling to the field office will dedicate his/her time to check physical items against the inventory tracker and report the findings to Field Accounting and the rest of the PMU.</p>	<p>(A. Nimer) Inventory Formats have now been integrated. One spreadsheet is now maintained. We have recently mandated that it is only kept up by one person, Ayman Nimer (IT Manager). Also, we have recently converted it to Access backend (Feb 22) and will audit no less than quarterly. As soon as Inventory audit has been completed, it will be sent to PMU. A report of lost or stolen items will be reported to USAID. (see attached response to missing items).</p>	
VII. Subcontracts			
<p>A. The local subcontractors submit monthly invoices without reporting the total amount spent to date or the remaining balance. Also, in some instances, labor costs are not supported by timesheets or any other payroll documents.</p>	<p>1) All local subcontractors will need to meet the contract requirements by submitting the front page invoice with the monthly expenditures report. This front page invoice will include at least four columns summarizing the budget, amount spent to-date, remainder, and current month expenses per line item. 2) A template should be developed and sent to each subcontractor for immediate use. 3) The AMIR accountant will need to always attach a copy of the signed TO agreement to the fixed-price subcontract invoice when processing the disbursement.</p>	<p>(M. Jallad) We have asked our Subcontractor to adopt the new policy, they assured us this will happen on Feb invoices & will include Summary Sheet. Will be able to check on March 5, 05</p>	
VIII. Grants			
<p>A. The grant transactions are recorded in a separate QB database. The chief accountant who maintains this database has also developed a macro Excel spreadsheet to facilitate the advance requests. As of 12/31/04, the QB and Excel spreadsheet balances reconcile but the Fund Accountability Statements are not consistent among grantees.</p>	<p>1) The Chief Accountant will need to ensure that the Fund Accountability Statements are consistent among grantees. 2) The AMIR's chief accountant should visit the grantees more often to verify their capacity to fulfill the agreement terms.</p>	<p>M. Jallad has visited each grantee to provide an orientation on this statement and what should be included. He has also trained each of them in grants accounting and grants regulations overviews and will followup by end of March 05.</p>	
IX. Accounting Transactions and Balances			
<p>A. Balances are reasonable but need some PIN adjustments. The field office accounting staff is currently working on the adjustments to reflect the correct PIN balances. Compared to the home office balances, the above balances are totally different. In other words, the field and home office net balances don't reconcile as of 11/30/04.</p>	<p>1) The HO Field Accounting will review all the inter-company transactions from the beginning of the project to now and reconcile the balances. 2) The HO Field Accounting will bill all outstanding lodging charges to the contract immediately. 3) The FO accountants will need to review each account receivable and payable balance to ensure that the balance per PIN reflects the reality.</p>	<p>(M. Jallad) We started to review A/PS & A/Rs starting Feb, as we were guided by Osmane. MS COMMENT: GOOD, AS SOON AS WE RECEIVE THE ORIGINAL SUPPORTING DOCUMENTS, WE THE HOME OFFICE ACCOUNTING WILL BILL THE OUTSTANDING LODGING CHARGES. AS NOTED ABOVE, PLEASE LET US KNOW HOW YOU WILL SEND THE SUPPORTING DOCUMENTS. By Pouch</p>	